

**MINUTES OF THE  
HEALTH SYSTEM REFORM TASK FORCE**

Friday, October 31, 2008 – 8:00 a.m. – Room C250 State Capitol

**Members Present:**

Sen. Sheldon L. Killpack, Senate Chair  
Rep. David Clark, House Chair  
Sen. Gregory S. Bell  
Sen. Gene Davis  
Rep. Roger E. Barrus  
Rep. Jackie Biskupski  
Rep. Bradley M. Daw  
Rep. Patrick Painter

**Members Absent:**

Sen. Peter C. Knudson  
Rep. David Litvack  
Rep. Merlynn T. Newbold

**Staff Present:**

Mr. Mark D. Andrews, Policy Analyst  
Ms. Catherine J. Dupont, Associate General Counsel  
Mr. John T. Nielsen, Advisor to the Governor on  
Health System Reform  
Ms. Phalin L. Flowers, Legislative Secretary

**Note:** A list of others present, a copy of related materials, and an audio recording of the meeting can be found at [www.le.utah.gov](http://www.le.utah.gov).

**1. Task Force Business**

Chair Killpack called the meeting to order at 8:09 a.m. He excused Rep. Painter from the meeting.

**MOTION:** Rep. Newbold moved to approve the minutes of the October 13, 2008 meeting. The motion passed unanimously with Sen. Bell and Sen. Davis absent for the vote.

**2. Health Insurance Reform -- Reports from Input Groups**

Rep. Jim Dunnigan reported to the Task Force on behalf of the Insurers Input Group. He distributed "Utah NetCare Summary of Benefits." He explained the Input Group's proposal that insurers create a family of new products called "Utah NetCare." The products would be marketed on the state's Internet portal to people seeking COBRA, conversion, small group, or individual coverage. They would be exempt from most state mandates, would include wellness incentives and high and low deductible options, and be priced at 30 to 45 percent below average large group policies. Rep. Dunnigan also identified various reform concepts supported by insurers, including: standardization of claims administration; use of a state portal; transparency of cost, quality and outcomes; requiring higher education students to have health insurance; pay for performance; episodes of care payment; medical home pilot projects; healthy lifestyle incentives; and greater use by Medicaid of generic drugs and preferred drugs lists.

Mr. Ernie Sweat, President-elect, Utah Association of Health Underwriters, and Mr. Mike Oliphant, Utah Association of Health Underwriters, discussed their efforts to develop an Internet tool that would allow a person to go to a single web site to find either commercial health insurance or government health care coverage. They indicated that although the completion of their project will require additional funding, they are not seeking financial assistance from the state. They do, however, need state agencies to assist them by sharing information.

Ms. Tomi Ossana, Executive Director, Utah Comprehensive Health Insurance Pool (HIPUtah), explained how individuals are sent back to the commercial market if they are not deemed uninsurable and eligible for the Utah Comprehensive Health Insurance Pool. She estimated that about 12,000 persons that are uninsurable do not enroll in HIPUtah.

Mr. Kelly Atkinson, Executive Director, Utah Health Insurance Association (UHIA), addressed the reform proposal made by the Utah Hospital Association and the creation of a state portal. He indicated that reform requires addressing meaningful tort reform, use of technology, utilization of services, and personal responsibility. He indicated that UHIA is willing to present any information needed to the Legislature and will continue to work with the Task Force. He suggested that the next step in the reform process is to meet with all of the input groups jointly rather than separately to discuss reimbursement, formularies, and utilization.

### **3. Transparency and Value -- Episodes of Care**

Mr. Doug Emery, Operations Director, Prometheus Payment Inc., explained that Prometheus has developed a model that will allow episode of care reimbursement within the existing fee for service billing structure. Prometheus is conducting episode of care reimbursement pilot projects in several states and hopes to conduct one in Utah.

### **4. Health Care Reform in Utah's Medicaid Program**

Rep. Newbold, House Chair, Health and Human Services Appropriations Subcommittee, reported on the Subcommittee's recent study of how three mechanisms might be used by Utah's Medicaid program as part of health care reform: (1) health opportunity accounts; (2) medical homes; and (3) episodes of care pricing. She reported that health opportunity accounts can be used for either existing Medicaid populations or expansion populations; however, they cannot be used for the elderly, persons with a disability, and women who are pregnant. Utah's Medicaid program recommends that any use of health opportunity accounts be applied only to expansion populations. The number of current clients who could use or would be interested in health opportunity accounts is small.

### **5. H.B. 133 Executive Branch Tasks -- Progress Report**

Mr. John T. Nielsen, Advisor to the Governor on Health System Reform, reported on the status of specific tasks with which executive branch agencies were charged by 2008 General Session H.B. 133, "Health System Reform." He reported the following:

- The Department of Health has submitted six Medicaid waivers to the Centers for Medicare (CMS) and Medicaid Services but that it does not know when CMS will rule on the applications.
- He understands that the standardized uniform application form for health insurance has been completed and that it will be implemented well before the statutory deadline.
- The Office of Consumer Health Services has been staffed. Contrary to concerns expressed by some, it will not become a big bureaucracy.
- The deadline for responses to the request for proposals to develop the state's internet health insurance portal is November 3, 2008.
- The executive branch has been working on the development of a procurement preference for state contractors that provide health insurance to their employees.
- The Department of Health, the Department of Workforce Services, and others have developed a plan and set goals to reach out to, identify, and enroll individuals who are eligible for state health care programs. This effort will include the private sector.
- The executive branch has worked with the Utah Insurance Department and Rep. Dunnigan on developing low-cost insurance plans and believes that Utah NetCare provides an excellent start.

- Although not required by H.B. 133, the executive branch has been consulting with university presidents about the concept of requiring university students to carry health care coverage.

Mr. Nielsen also pointed out that over past 18 months 95 percent of the constituent mail that has come to the Governor's office expressing concerns about health insurance has been from persons who are uninsurable but cannot afford to enroll in HIPUtah. He said that there are some people who cannot afford insurance, regardless of the price. He expressed his personal view that this is an issue that needs to be addressed.

## **6. Draft Legislation**

This item was not discussed.

## **7. Other Business**

The next task force meeting will be held on November 11, 2008 at 8:00 am.

## **8. Adjourn**

**MOTION:** Sen. Davis moved to adjourn the meeting. The motion passed unanimously.

Chair Killpack adjourned the meeting at 11:29 a.m.